

# Senate Study Bill 1325

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON DVORSKY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the bonding authorization of the state board  
2 of regents for flood repair, restoration, replacement, and  
3 mitigation at the state university of Iowa.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
5 TLSB 2710SC 83  
6 rh/rj/24

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1 1 Section 1. Section 262A.2, subsection 3, Code 2009, is  
1 2 amended to read as follows:  
1 3 3. "Buildings and facilities" shall mean those academic  
1 4 buildings and other facilities used primarily for  
1 5 instructional and research purposes, including libraries, and  
1 6 such other administrative and service buildings and facilities  
1 7 as are deemed necessary by the board to provide supporting  
1 8 services to the instructional and research programs and  
1 9 activities of the institutions, including, without limiting  
1 10 the generality of the foregoing, administrative offices,  
1 11 facilities for business services, auditoriums and concert  
1 12 halls, student services and extension and continuing education  
1 13 services, off-street parking areas and structures incidental  
1 14 to other buildings and facilities which are not primarily for  
1 15 parking purposes, garages, and storage and warehouse  
1 16 facilities, or any combination thereof. This phrase shall  
1 17 also include works and facilities deemed necessary by the  
1 18 board for furnishing utilities services to any buildings or  
1 19 structures operated by the institutions, including, without  
1 20 limiting the generality of the foregoing, water, electric,  
1 21 gas, communications, sewer and heating facilities, together  
1 22 with all necessary structures, buildings, tunnels, lines,  
1 23 reservoirs, mains, filters, pipes, sewers, boilers,  
1 24 generators, fixtures, wires, poles, equipment, treatment  
1 25 facilities and all other appurtenances in connection  
1 26 therewith, or any combination of the foregoing.

1 27 Sec. 2. STATE BOARD OF REGENTS BONDING.

1 28 1. FINDINGS. The general assembly finds that:

1 29 a. The general assembly hereby determines that the annual  
1 30 revenues of the state are insufficient to finance the  
1 31 immediate building requirements of the state university of  
1 32 Iowa and that it is necessary to authorize the issuance of  
1 33 revenue bonds by the state board of regents to finance the  
1 34 repair, restoration, replacement, and mitigation of flood  
1 35 damaged buildings and facilities on the campus of the state  
2 1 university of Iowa.

2 2 b. Section 262A.4 provides that the state board of  
2 3 regents, after authorization by a constitutional majority of  
2 4 each house of the general assembly and approval by the  
2 5 governor, may undertake and carry out at the institutions of  
2 6 higher learning under the jurisdiction of the board any  
2 7 project as defined in chapter 262A.

2 8 c. Chapter 262A authorizes the state board of regents to  
2 9 borrow moneys and to issue and sell negotiable revenue bonds  
2 10 to pay all or any part of the cost of carrying out projects at  
2 11 any institution payable solely from and secured by an  
2 12 irrevocable pledge of a sufficient portion of the student fees  
2 13 and charges and institutional income received by the  
2 14 particular institution.

2 15 d. To further the educational objectives of the state  
2 16 university of Iowa, the state board of regents requests  
2 17 authorization to finance certain capital costs and other

2 18 expenses as described herein by borrowing moneys and issuing  
2 19 negotiable bonds under chapter 262A in a total amount as  
2 20 provided in this section, with the remaining costs of the  
2 21 projects to be financed by appropriations or by federal or  
2 22 other funds lawfully available.  
2 23 e. Due to flooding of the campus at the state university  
2 24 of Iowa occurring in June of 2008, the state board of regents  
2 25 requests authorization to finance certain costs attributable  
2 26 for the repair, restoration, and replacement of buildings and  
2 27 facilities and for certain other flood recovery and mitigation  
2 28 expenses incurred or to be incurred with respect to damaged  
2 29 buildings and facilities and improvements located on the  
2 30 campus of the state university of Iowa in Iowa City.

2 31 2. AUTHORIZATION OF PROJECTS. The state board of regents  
2 32 is authorized to undertake, plan, construct, improve, repair,  
2 33 remodel, furnish, and equip, and otherwise carry out  
2 34 \$100,000,000 in projects to repair, restore, and replace flood  
2 35 damaged buildings and facilities and to undertake other flood  
3 1 recovery and mitigation projects on the campus at the state  
3 2 university of Iowa.

3 3 3. BONDS AUTHORIZED. The general assembly authorizes the  
3 4 state board of regents to borrow moneys and to issue and sell  
3 5 negotiable revenue bonds in the amount of \$100,000,000 in the  
3 6 manner provided in sections 262A.5 and 262A.6 in order to pay  
3 7 all or any part of the costs of carrying out the projects at  
3 8 the state university of Iowa approved and authorized in  
3 9 subsection 2, with the remaining costs of the projects to be  
3 10 financed by appropriations or by federal or other funds  
3 11 lawfully available. The amount of bonds may be exceeded by  
3 12 the amount the state board of regents determines to be  
3 13 necessary to capitalize bond reserves, interest during  
3 14 construction, and issuance costs. No commitment is implied or  
3 15 intended by approval to fund any portion of the buildings and  
3 16 facilities improvement program beyond the portion that is  
3 17 financed and approved by the Eighty-third General Assembly,  
3 18 2009 Session, and the governor.

3 19 EXPLANATION

3 20 This bill authorizes the state board of regents to finance  
3 21 certain costs attributable to the repair, restoration, and  
3 22 replacement of buildings and facilities and for certain other  
3 23 flood recovery and mitigation expenses incurred or to be  
3 24 incurred with respect to flood-damaged buildings and  
3 25 improvements located on the campus of the state university of  
3 26 Iowa in Iowa City. The bill authorizes the board of regents  
3 27 to borrow moneys and to issue and sell negotiable revenue  
3 28 bonds in the amount of \$100,000,000 in the manner provided in  
3 29 Code sections 262A.5 and 262A.6 in order to pay all or any  
3 30 part of the costs of carrying out the projects. The amount of  
3 31 bonds may be exceeded by the amount the state board of regents  
3 32 determines to be necessary to capitalize bond reserves,  
3 33 interest during construction, and issuance costs. The bill  
3 34 also amends Code section 262A.2(3) to add auditoriums and  
3 35 concert halls to the list of authorized regents revenue

4 1 bonding projects.

4 2 LSB 2710SC 83

4 3 rh/rj/24